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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/774,147	01/30/2001	James Martin Billings	SSL-001	1218

53857   7590   12/28/2007
JAMES ADDISON BARRY, JR.
105 GLENWAY POINT
LEBANON, TN 37087

EXAMINER
SUBRAMANIAN, NARAYANSWAMY

ART UNIT	PAPER NUMBER
3691	

MAIL DATE	DELIVERY MODE
12/28/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
	09/774,147	BILLINGS ET AL.
Office Action Summary	Examiner	Art Unit
	Narayanswamy Subramanian	3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *16 June 2006*.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-11* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☒ Claim(s) *2,3, 8-11* is/are allowed.

6)☒ Claim(s) *1 and 4-7* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☐ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

1.   This office action is in response to applicants' communication filed on June 16, 2006.

Amendments to claims 1-4, and 8 and addition of new claims 9-11 have been entered. Rejections

made under 35 U.S.C. 112, second paragraph in the last office action are withdrawn in view of

the amendments. Claims 1-11 are currently pending in the application and have been examined.

The rejections and response to arguments are stated below.

Claim Rejections - 35 USC § 103

2.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

3.   Claims 1, 4-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Guppy

(Reference U).

Claims 1, 4 and 5, Guppy discloses a method for providing downside protection of stock

market investments for managing an investment portfolio comprising the steps of: using a stop

loss percentage for the security, multiplying the stop loss percentage by a high value for the

security and subtracting the resulting product from the high value to generate a sell threshold

price, comparing the sell threshold price to the market price, and executing a sell event when the

market price is below the sell threshold price (See the disclosure of Guppy) These steps known

as trailing stop loss technique are old and well known to one of ordinary skill in the investment

art. These steps help investors minimize their losses while allowing them to benefit from rising

security prices. A computer-readable medium and a system for conducting these steps are old and well known in the art.

Guppy does not explicitly teach the steps of entering a name of a security into the automated data processing system through the input device; storing the name of the security in the memory; entering data for the security into the automated data processing system through the input device; storing the data for the security in the memory; entering a buy price of the security into the automated data processing system through the input device; storing the buy price of the security in the memory as the high value; linking the automated data processing system by a data link to current stock information; and reading a market price of the security from the current stock information.

Official notice is taken that these steps are old and well known in the investment and trading art. These steps help automate the trading process with minimum human intervention.

It would have been obvious to one of ordinary skill in the art to include these steps to the disclosure of Guppy. The combination of disclosures suggests that investors would have benefited from automating the trading process with minimum human intervention.

Claims 6 and 7, Guppy does not explicitly teach the means for automatically selling the security when the sell event occurs and wherein the input device is configured to receive the market price of the security including a data link connected to provide current stock information for entering the current market price.

Official notice is taken that these steps are old and well known in the investment and trading art. These steps help automate the trading process with minimum human intervention.

It would have been obvious to one of ordinary skill in the art to include these steps to the

disclosure of Guppy. The combination of disclosures suggests that investors would have

benefited from automating the trading process with minimum human intervention.

Allowable Subject Matter

4.   Claims 2, 3, and 8-11 are allowed. The reasons for allowance is prior art does not teach a

method, a system and a computer-readable medium for providing downside protection of stock

market investments for managing an investment portfolio by an automated data processing

system having a memory with an input device connected with the automated data processing

system, including the feature wherein a maximum stop loss currency amount is compared to the

stop loss percentage multiplied by the high value to the maximum stop loss currency amount,

and if the stop loss percentage multiplied by the high value exceeds the maximum stop loss

currency amount, the maximum stop loss currency amount is used to generate the sell threshold

price.

Response to Arguments

5.   In response to Applicant's arguments "In addition, examiner has not explained how

Guppy teaches the present invention. Step m of claim 1 is a repetitive step or a continual

recalculation of the sell threshold price as well as a continual trigger mechanism for a sell event

as soon as the market price drops below the sell threshold price. Applicant does not find this

important step to be in the Guppy article", the examiner respectfully disagrees. In interpreting the

Guppy article, the disclosure of Guppy as a whole must be taken into account. For instance

Guppy discloses "Initially the stop loss is calculated on the entry price and is designed to prevent

losses growing and eating away at our trading capital. In a rising trend, the stop loss is designed

as a "protect profit" condition. Here, it is called a trailing stop loss because it trails behind the most recent price action. It is also called a protect profit stop loss". This disclosure implies a repetitive step or a continual recalculation of the sell threshold price. The frequency of recalculation in Guppy is on a daily basis instead of marked-to-market basis. Nevertheless Guppy teaches this limitation.

In response to Applicant's assertion "The present invention has striking differences: Real-time mechanism to allow for fluctuations during the course of the day, by continually repeating the process during the market day; Resetting the actual Stop Loss stock price (not the %) based on the revised high market price; Not necessary to have to wait until tomorrow before transaction takes place; and A trigger mechanism", the examiner respectfully disagrees. No where in the claim is there any mention of Real-time mechanism to allow for fluctuations during the course of the day. Current stock price information could include inter-day prices if there is no active trading in the stock. Resetting the actual Stop Loss stock price (not the %) based on the revised high market price is taught by the Guppy disclosure. For instance Guppy discloses "In a rising trend, the stop loss is designed as a "protect profit" condition. Here, it is called a trailing stop loss because it trails behind the most recent price action." There is no guarantee in Applicant's claimed invention that a certain transaction will take place on a given day. There is no guarantee in the Applicant's claimed invention that step 1 will occur on the same day as the comparing step. The exit signal in Guppy implies a trigger mechanism.

Applicant's other arguments with respect to pending claims 1-8 have been considered but are not persuasive.

Conclusion

6.   **THIS ACTION IS MADE FINAL.** See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander G. Kalinowski can be reached at (571) 272-6771. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Dr. N. Subramanian
Primary Examiner
Art Unit 3691

December 12, 2007